STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

January 23, 1992

ALL-COUNTY LETTER NO. 92-10

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY PROBATION DEPARTMENTS

SUBJECT: INDEPENDENT LIVING PROGRAM

The purpose of this letter is to assist Counties by clarifying the provisions of Assembly Bill (AB) 4013, Chapter 1011, Statutes of 1990, which became effective January 1, 1991, with respect to a child who is a participant in the Independent Living Program pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272).

AB 4013 provided the necessary changes in State law to amend Welfare and Institutions Code (WIC) Section 11008.15 which allows for the exemption of earned income and incentive payments, and adds Section 11155.5 which exempts as property, the accumulated cash savings derived from the above income for purposes of determining Aid to Families with Dependent Children (AFDC) eligibility and grant amount. In order to apply these exemptions the child must be: (1) 16 years of age or older, and (2) participating in the ILP pursuant to a written transitional independent living case plan.

Emergency regulations based on the above WIC Sections were developed and filed effective January 1, 1991. Final regulations were effective May 28, 1991. The regulation changes affected Manual of Policy and Procedures (MPP), Division 30 and Eligibility and Assistance Standards (EAS) Manual, Divisions 42, 44 and 45.

CHILD WELFARE SERVICES

AB 4013 permits a child 16 years of age or older who is a participant in the ILP to retain any cash savings, including interest, accumulated as part of the child's written transitional independent living case plan as specified in MPP Sections 30-342.552 (b) and 30-442.552 (b).

The savings must be deposited by or on behalf of the child in any bank or saving and loan institution whose deposits are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Corporation. The savings shall be for the child's use for purposes directly related to his or her emancipation as specified in MPP Sections 30-342.552 (c) and (d) and 30-442-552 (c) and (d).

Withdrawal of the savings requires the written approval of the child's social worker or probation officer and must be directly related to the goal of emancipation as specified in MPP Sections 30-342.552 (f) and 30-442.552 (f).

The savings of a child accumulated through participation in the ILP shall be kept separate from other types and sources of savings as specified in MPP Sections 30-342.552 (e) and 30-442.552 (e).

In accordance with Public Law 101-508, as of October 1, 1991, Counties have the option of providing ILP services to former foster children up to age 21. These children would be considered ILP participants. However, eligibility to the AFDC-FC program for board and care payments would still terminate at age 18, or age 19 if the child is attending school or a vocational training program on a full time basis.

AFDC

The following eligibility criteria applies to the AFDC-Family Group (FG)/ Unemployed Parent (U), and Foster Care (FC) programs.

Income

Once ILP participation and the written transitional independent living case plan content requirements discussed above are met, all earned income and/or incentive payments received by the child pursuant to the ILP plan are exempt for purposes of eligibility and grant determination (EAS 44-111.26 and 45-201.16). Additional earned income and/or incentive payments received by the child not linked to ILP participation and the transitional case plan are not subject to the ILP exemptions.

Property

Once ILP participation and the written transitional independent living case plan content requirements discussed above are met, any cash savings resulting from the above income (including interest) is exempt for purposes of eligibility and grant determination (EAS 42-213.2 (aa) and 45-201.121) and is not to be applied against the $1,000.00 property limit requirement stated in EAS 42-207.1. Additional cash savings and/or property not linked to ILP participation and the transitional case plan are not subject to the ILP exemption. The ILP savings must be kept separate from other types of savings accounts.

The following Questions and Answers have been developed to provide additional information:

1. Must the income be reported monthly on the CA-7 for AFDC-FG/U purposes?

   Answer: Yes. Per EAS Section 40-181.241 (e) "Reported income shall include earned, unearned, exempt, and nonexempt income received during the budget month..."

   AFDC regulations [EAS Section 40-181.241 (e)] require all income received during the budget month to be reported.

2. Must the eligibility case file contain a copy of the written transitional case plan in order to allow the exemptions?

   Answer: No. Individual CWD's shall determine what documentation is necessary for inclusion in the eligibility case. For example, a statement from the ILP coordinator that the income and property are ILP related and part of the written case plan would suffice for documentation in the eligibility case file.

3. Must the documentation be provided on a monthly basis to eligibility?

   No. The exemption status is to be reviewed at each reinvestigation. However, it is the responsibility of the ILP coordinator or placement worker to notify eligibility when a change in ILP status is made.

4. If the child is no longer participating in the ILP but continues to work and receive income, is the income and resulting savings still exempt?

   No. Only the money earned and cash savings retained during ILP participation is exempt. Subsequent earnings and cash savings shall not be subject to the ILP exemptions.

5. If the child is no longer participating in the ILP but withdraws money from the ILP account, will that money be considered as income?

   Answer: No. Money retained in an ILP account is considered property (42-203.21) and if the child is no longer participating in the ILP is counted toward the $1,000.00 property limit.

   Per 42-203.21, money retained as savings and checking accounts are considered personal property. As to counting the above identified property toward the $1,000.00 property limit, MPP Section 45-201.121 specifically states that property accumulated pursuant to the ILP is exempt so long as such property is "retained by a child who is 16 years of age or older and is participating in the ILP..."

If you have any further questions concerning this issue, please contact your Foster Care Program analyst at (916) 445-0813.

LOREN D. SUTER
Deputy Director
Adult & Family Services Division

cc: CWDA